

CHAPTER 8

DOUBLE COVERAGE

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A. INTRODUCTION

In enacting CHAMPUS legislation, Congress clearly has intended that CHAMPUS be the secondary payer to all health benefit and insurance plans. 10 U.S.C. 1079(j)(1) (reference (a)) specifically provides:

"A benefit may not be paid under a plan [CHAMPUS] covered by this section in the case of a person enrolled in any other insurance, medical service, or health plan to the extent that the benefit also is a benefit under other plans, except in the case of a plan [Medicaid] administered under title 19 of the Social Security Act (42 U.S.C. 1306 et seq.)."

The above provision is made applicable specifically to retired members, dependents, and survivors by 10 U.S.C. 1086(d) reference (a)). The underlying intent, in addition to preventing waste of Federal resources, is to ensure that CHAMPUS beneficiaries receive maximum benefits while ensuring that the combined payments of CHAMPUS and other health benefit and insurance plans do not exceed the total charges.

B. DOUBLE COVERAGE PLAN

A double coverage plan is one of the following:

1. Insurance plan. An insurance plan is any plan or program that is designed to provide compensation or coverage for expenses incurred by a beneficiary for medical services and supplies. It includes plans or programs for which the beneficiary pays a premium to an issuing agent as well as those plans or programs to which the beneficiary is entitled as a result of employment or membership in, or association with, an organization or group.

2. Medical service or health plan. A medical service or health plan is any plan or program of an organized health care group, corporation, or other entity for the provision of health care to an individual from plan providers, both professional and institutional. It includes plans or programs for which the beneficiary pays a premium to an issuing agent as well as those plans or programs to which the beneficiary is entitled as a result of employment or membership in, or association with, an organization or group.

3. Exceptions. Double coverage plans do not include:

a. Plans administered under title XIX of the Social Security Act (Medicaid) (reference (h));

b. Coverage specifically designed to supplement CHAMPUS benefits;

c. Entitlement to receive care from Uniformed Services medical care facilities; or

d. Certain Federal Government programs, as prescribed by the Director, **OCHAMPUS**, that are designed to provide benefits to a distinct beneficiary population and for which entitlement does not derive from either premium payment of monetary contribution (for example, the Indian Health Service).

C. APPLICATION OF DOUBLE COVERAGE PROVISIONS

CHAMPUS claims submitted for otherwise covered services **or** supplies and which involve double coverage shall be adjudicated as follows:

1. CHAMPUS always last pay. For any claim that involves a double coverage plan as defined above, CHAMPUS shall be last pay. That is, CHAMPUS benefits may not be extended until all other double coverage plans have adjudicated the claim.

2. Waiver of benefits. A CHAMPUS beneficiary may not elect **to** waive benefits **under** a double coverage plan and use CHAMPUS. Whenever double coverage exists, the provisions of this chapter shall be applied.

3. Last pay limitations. CHAMPUS may not pay more as a secondary payer than it would have in the absence of other coverages. Application of double coverage provisions does not extend or add to the CHAMPUS benefits as otherwise set forth in this and other chapters of this Regulation.

D. SPECIAL CONSIDERATIONS

1. CHAMPUS and Medicare. In any double coverage situation involving Medicare, Medicare is always the primary payer. When Part A, "Hospital Insurance, " of Medicare is involved, the Medicare "lifetime reserve" benefit must be used before CHAMPUS benefits may be extended.

2. CHAMPUS and Medicaid. Medicaid is not a double coverage plan. In any double coverage situation involving Medicaid, CHAMPUS is always the primary payer.

3. CHAMPUS and Worker's Compensation. CHAMPUS benefits are not payable for a work-related **illness** or injury that is covered under a worker's compensation program.

4. PFTH. **All** local resources must be considered and used before CHAMPUS benefits under the PFTH may be extended. If a handicapped CHAMPUS beneficiary who otherwise is eligible for benefits under the PFTH is eligible for other Federal, state, or local assistance to the same extent as any other resident or citizen, CHAMPUS benefits are not payable. The sponsor does not have the option of waiving available Federal, state, or local assistance in favor of using CHAMPUS benefits.

E. IMPLEMENTING INSTRUCTIONS

The Director, OCHAMPUS, or a designee, shall issue such instructions, procedures, or guidelines, as necessary, to implement the intent of this chapter.